

PART II

GUIDANCE AND PROCEDURES

CHAPTER 2: ASSET VISIBILITY

2.1 REQUISITIONING, ISSUING, AND TRANSACTION REPORTING

2.1.1 General

Asset visibility addresses the methods by which Inventory Managers (IMs) of NAVSEA material may track their specific items. A primary element of monitoring efforts involves close coordination with Consolidated Stock Points (CSPs). As previously discussed, CSPs have physical custody of the majority of NAVSEA cognizance (COG) equipment. IMs must therefore maintain a dialogue with Material Representatives (MATREPs) and other CSP representatives to ensure timely stock status and transaction data. It should be noted that the following discussion is based on the requirement for the IM to maintain automated stock records replicating those at reporting stock points, which contain material identification (stock numbers), inventory balances, Purpose and Condition codes, etc. This will allow the IM to compute expected closing levels (based on issue/receipt/other transactions) for the specified reporting period. As a corollary function, for serial controlled items IMs may wish to duplicate item records maintained by the MATREPs that track history and current location of specific serial numbered material.

IM asset visibility encompasses both specific transaction and general stock status data. This includes:

- a. Physical Transactions: Customer issues, receipts from contracts, turn-ins, redistribution (repair inductions), repositioning, disposal, and other material movements.
- b. Administrative Transactions: Identification of or changes to material Purpose or Condition Codes associated with the above events. As discussed in Chapter 1, Purpose and Condition Codes are used to define the purpose for specified inventory balances (general issue, special programs, war reserve, etc.), and the condition (readiness for issue) of items within such categories.
- c. Overall Stock Status: Total on-hand inventory levels and associated item coding and supply management data.

Section 2.2 addresses specific reports that IMs may use to monitor items in stock and at production/repair activities. As stated above, in all cases the IM should establish and maintain close coordination with appropriate activity representatives and use this dialogue to facilitate asset monitoring. In the event of inadequate or outdated data, the IM must be able to quickly isolate and reconcile apparent discrepancies. MATREPs and designated repair/production facility personnel should be consulted for assistance in providing current and detailed asset information.

2.1.2 Policy

IMs of NAVSEA material will approve all issues of 2F, 2J, and 2S COG items under NAVSEA control with the following exceptions:

a. Commander Submarine Force, U.S. Pacific Fleet may approve issues of 2F COG periscopes with a Special Material Identification Code (SMIC) of P1 located at FISC Yokosuka or FISC Pearl Harbor.

b. Per NAVSEAINST 9245.1A [Ship Propellers and Propulsion Shafts] props and shafts shall not be issued without prior approval of NAVSEA 56X except in case of emergency. Emergency issues will be documented and detailed by message (including associated Transaction Item and Asset Status Reports) to NAVSEA 56X within 24 hours.

c. NAVSEA material will be stored at locations identified in Chapter 1, Figure 2. Exceptions will be approved in writing by the proper NAVSEA program office.

2.1.3 Procedures

a. Requisition Preparation/Referral/Approval:

(1) Requisitions will be prepared using the guidance in NAVSUP Pub 485 Volumes II and III [Naval Supply Procedures – Supply Appendices and Ashore Supply] and shall cite the chargeable end-user in the requisitioner field, Project Codes, and Advice Codes.

(2) Requisitions for 2S COG, SMIC B1 (boats and landing craft) material will include justification and intended end-use. Requisitions may be submitted to NAVSEA PMS-308 by phone, message or letter.

(3) Requisitions for 2S, SMIC X1 (nuclear power) material will include justification and intended end-use. Requisitions may be submitted to NAVSEA (SEA 08H) by phone, message, letter or fax (703) 602-7233. Additional guidance on requisitioning and repairable turn-in procedures is available in NAVSEAINST 9210.15 [Supply Support and Inventory Management Procedures for NAVSEA controlled 2S COG Reactor Plant Components] and NAVSUP Pub 485 [Volume I Afloat Supply Procedures].

(4) MILSTRIP message requisitions must include the appropriate material description in the subject line, and letter requisitions will include the cognizant NAVSEA/NAVICP organizational code in the address line.

(5) Requisitions requiring cannibalization of NAVSEA material will be forwarded following the procedures outlined in section 6.10 of this document.

(6) MILSTRIP requisition status requests, including the appropriate National Stock Number (NSN), will automatically be referred to the cognizant inventory control point.

b. Issues, Turn-ins and Transaction Reports :

(1) Before issuing NAVSEA material, stock points must have the approval of the proper inventory manager.

(2) Stock points will submit daily or cyclic transaction reports for NAVSEA material to the IM and NAVICP per section 2.2. of this document and NAVSUP Pub 485 [Naval Supply Procedures, Volume III, Ashore Supply].

(3) Turn-in of NAVSEA material will be made to activities listed in Chapter 1, Figure 2 or per the NAVSUP Master Repair Item List (MRIL) or as directed in the issue approval document. Additional guidance for the turn-in of 2S (SMIC X1) material is provided in NAVSEAINST 9210.15 and NAVSUP Pub 485, Volume I, Afloat Supply Procedures, paragraphs 5079 and 5080.

2.2 METHODS

2.2.1 Control of NAVSEA Material Receipts and Issues

This section covers all NAVSEA material, both accepted at source, destined for a stocking point, and accepted at the stocking point, except for nuclear material under the cognizance of SEA 08 and expendable ordnance.

2.2.1.1 General

DoD inventory control points, IMs and program offices must have proper control over material designated supply system assets, regardless of whether that material is accepted at the source (i.e. the contractor's plant) and is destined for a stocking point or whether it is accepted at the stock point. Principal tools used to maintain control of stock point assets are the material issue/receipt reports are described below.

a. DD 250, Material Inspection and Receiving Report. MATREPs will receive copies of DD Form 250 (Figure 8) with delivery of materials under government contract. The form is principally used to substantiate payments by providing evidence of inspection or acceptance at either the material source or its destination.

b. Reports of Equipment Received (East and West Coast CSPs). MATREPs at Barstow CA and Cheatham Annex VA will maintain local reports to document all material receipts, including serial numbers and remarks as necessary. Figures 9 and 10 are examples of west and east coast local report formats respectively.

c. Transaction Item Reports (TIRs). A Military Standard Transaction Reporting and Accounting Procedures (MILSTRAP) TIR is a coded description of any supply action that affects the on-hand balance of an item. TIRs are identified by a document identifier in the D series. They are used by Stock Points to report transactions affecting the stock record inventory (i.e., gains, losses, repair actions, changes in Purpose or Condition Code). NAVSEA has established schedules with reporting activities to define the frequency of TIR submissions. Due to the low volume and high dollar value of transactions for NAVSEA material, TIRs are transmitted on a daily basis to NAVICP for update of appropriate data bases.

d. Asset Status Cards (ASCs). An ASC is a consolidated report of all supply actions processed against a specific stock number during an established period of time. ASCs showing the closing balance are submitted with TIRs.

e. Consolidated Stock Status Reports (CSSRs). CSSRs are inquiries that IMs can input to request various stock status, transaction, and management data drawn from the NAVICP Weapon Systems File. CSSR data elements contained therein may be summarized as follows:

- (1) Lines 1 through 8: Technical data about the particular item such as item name, stock number, unit of issue, and price.
- (2) Line 9: Item status at holding activities.
- (3) Line 10: Due-in/due-out status.
- (4) Line 11: Planned Program Requirement/special program data in file.
- (5) Line 12: Backorder documents in file.
- (6) Line 13: Application data in file.
- (7) Line 14: Alternate NIIN data in file.

- (8) Line 15: Reference number/contractor data in file; cyclic reporting activity or ship's data in file.

Comprehensive CSSR data element definitions are provided in Appendix B.

2.2.1.2 Responsibilities of NAVSEA Material Inventory Managers

- a. Assign a Permanent Navy Item Control Number (P-NICN) to any item of material not requiring an NSN that is going into stock.
- b. Use the Material Inspection and Receiving Report (DD Form 250) to document material shipped in place or accepted at source. Documentation should include item description, stock number, quantity shipped, date shipped, and destination. Maintain this record until such time as the material is transaction item reported.
- c. Follow up with each receiving point thirty days and, as necessary, sixty days after the shipment date to verify receipt of material. If material has not been received at the sixty day point, initiate tracer action.
- d. Upon receipt of daily TIRs and ASCs the IM will:
 - (1) Update the central inventory record.
 - (2) Record the appropriate adjustment transactions.
 - (3) Compile demand history.
 - (4) Return transaction errors to the submitting point for correction.
 - (5) Notify stock points when TIR reporting indicates their records require updating.
- f. TIR and ASC Formats. Only D4, D6, D7, D8, and D9 series document identifiers will be used in TIR reporting. DZA is the document identifier used with an Asset Status Card input. In addition to the MILSTRIP ASC format, the following paragraphs define the standard MILSTRAP TIR formats. In particular, material issues, receipts, TIR reporting for various phases of the repair process and Purpose and Condition Code changes are detailed.

MATERIAL INSPECTION AND RECEIVING REPORT										<i>Form Approved OMB No. 0704-0248</i>	
Public reporting burden for this collection of information is estimated to last 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and Maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including Suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0248), Washington DC 20503. PLEASE DO NOT RETURN YOUR COMPLETED FORM TO EITHER OF THESE ADDRESSES. SEND THIS FORM IN ACCORDANCE WITH THE INSTRUCTIONS CONTAINED IN THE DFARS, APPENDIX F-401.											
1. PROC. INSTRUMENT IDEN. (CONTRACT)				(ORDER) NO.		6. INVOICE NO./DATE		7. PAGE OF		8. ACCEPTANCE POINT	
2. SHIPMENT NO.		3. DATE SHIPPED		4. B/L TCN				5. DISCOUNT TERMS			
9. PRIME CONTRACTOR CODE						10. ADMINISTERED BY CODE					
11. SHIPPED FROM (IF OTHER THAN 9) CODE FOB:						12. PAYMENT WILL BE MADE BY CODE					
13. SHIPPED TO CODE						14. MARKED FOR CODE					
15. ITEM NO.		16. STOCK/PART NO. DESCRIPTION (INDICATE NUMBER OF SHIPPING CONTAINERS – TYPE OF CONTAINER – CONTAINER NUMBER)				17. QUANTITY SHIP/REC'D*		18. UNIT	19. UNIT PRICE	20. AMOUNT	
21. CONTRACT QUALITY ASSURANCE								22. RECEIVER'S USE			
A. ORIGIN CQA ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents. _____ DATE SIGNATURE OF AUTH GOVT REP TYPED NAME AND OFFICE				B. DESTINATION CQA ACCEPTANCE of listed items has been made by me or under my supervision and they conform to contract, except as noted herein or on supporting documents. _____ DATE SIGNATURE OF AUTH GOVT REP TYPED NAME AND OFFICE				Quantities shown in column 17 were received in apparent good condition except as noted. _____ DATE RECEIVED SIGNATURE AUTH GOV REP TYPED NAME AND OFFICE <i>* If quantity received by the Government is the same as quantity shipped, indicate by ^ mark; if different, enter actual quantity received below quantity shipped and encircle.</i>			
23. CONTRACTOR USE ONLY											

DD FORM 250 NOV 92 (EG)

Figure 8

REPORT OF EQUIPMENT RECEIVED

DATE _____

COG _____ CONDITION _____ NSN/NICN _____

NOMENCLATURE _____

TECH. MANUAL/DWG. NO. _____ SER. NO. _____

UNIT PRICE _____ DATE RECEIVED _____ QTY. _____

DOCUMENT/CONTRACT NO. _____

SHPMT. NO. _____

PIECES EQUAL _____ NO. PIECES RECEIVED _____

UNIT AND/OR PARTS MISSING _____

REMARKS _____

NAVSEA MATREP

DISTR:

Figure 9

REPORT OF EQUIPMENT RECEIVED AT CHEATHAM ANNEX FOR THE WEEK OF

NSN/NIIN/NICN	QTY	C/C	Serial Number(s)	Document Number	Remarks

Figure 10

2.2.1.3 Asset Status Cards (ASCs)

a. General: MILSTRIP ASCs (Document Identifier "DZA") reflect closing item stock levels based on all gains/losses in a specified time frame. IMs of NAVSEA material who receive daily TIRs should also receive daily Asset Status Card transmissions to confirm net changes. ASCs are also used for items subject to cyclic versus daily transaction reporting. They are prepared in the following format:

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
1-3	Document Identifier	Enter Document Identifier DZA.
4-6	Routing Identifier (to)	Enter routing identifier of applicable Inventory Manager
7	Overflow	Enter Alpha A through Z (except 1 and 0) when multiple cards are necessary because any quantity exceeds the number of digits allowed.
8-22	National Stock Number	Enter stock number of the item reported.
23-24	Unit of Issue	Enter unit of issue of item reported.
25-30	On-Hand Quantity	Furnish separate on-hand quantity under each applicable purpose/condition code. Enter an 11 zone punch over the normal numeric value in data column 30 to show a credit balance.
31-36	Due-In	Enter due-in quantity from balance card for cyclically reported items. Leave blank for TIR items.
37-41	Backorder/Due-In From Maintenance (DIFM)	Enter total outstanding backorders from balance transaction for reported items. Enter DIFM for TIR items when DIFM is to be reported; otherwise leave blank.
42-46	Planned Requirements	Enter total planned requirements from balance card for cyclically reported items. Leave blank for TIR items.
47-51	Reservations	Enter total reservations from balance card for cyclically reported items. Leave blank for TIR items.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
55-56	COG Symbol	Indicate dual COG symbol from balance card.
57	Blank	Leave blank.
58	Decimal Locator for Unit Price	Enter decimal locator for unit price. Use 0 when unit price is in dollars and 2 when unit price is dollars and cents, or cents.
59-65	Unit Price	Enter standard unit price. Precede significant digits with zeros.
66	Blank or DIFM Indicator	Enter D if DIFM reported in data columns 37- 41; otherwise leave blank.
67-69	Routing Identifier (from)	Enter routing identifier of activity submitting report.
70	Purpose Code	Enter applicable purpose code.
71	Supply Condition Code	Enter condition code of material involved in status.
72	Physical Inventory Code	Enter Code L if DZA is generated for a Location Reconciliation. Enter Code P if DZA is in response to an IM request for Physical Inventory (DI DJA). Enter Code R if DZA is in response to an IM Request for Reconciliation of Asset Records (DI BCR).
76	Material Control Code	Enter if applicable.
77	Physical Security Code	Enter physical security code, if applicable.
78-80	Blank	Leave blank.

NOTE: The above is modified for items reported cyclically as follows:

57-61	Demand	Enter appropriate demand quantity from stock balance card.
63-64	Demand Frequency	Indicate number of demands recorded in stock balance card.
65-66	Reporting Week	Enter applicable week.

2.2.1.4 Issue Transaction Reports (Issue TIRs)

a. General: Issue of NAVSEA material from stock must be Transaction Item Reported to the NAVICP and the appropriate IM by any activity on a transaction reporting cycle. Most stock points are on an automated TIR cycles. They prepare computerized TIRs for each issue transaction and submit them on a daily basis in the following format:

<u>Data Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
1-3	Document Identifier	Enter appropriate D7 series code.
4-6	Routing Identifier (to)	Enter code of inventory manager to whom TIR is being sent.
7	Media and Status	Enter M&S code from the original document.
8-22	National Stock Number	Enter NSN of item issued.
23-24	Unit Of Issue	Enter unit of issue of the item.
25-29	Quantity	Enter quantity issued; precede significant digits with zeros.
30-44	Document Number	Enter document number from original document.
44	Suffix Code	Enter assigned suffix code; otherwise leave blank.
45-50	Supplementary Address	Perpetuate from original document.
51	Signal Code	Perpetuate from original document.

<u>Data Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
52-53	Fund Code	Perpetuate from original document.
54-56	Distribution Code	Perpetuate from original document.
57-59	Project Code	Perpetuate from original document.
60-61	Priority	Perpetuate from original document.
62-64	Delivery Date	Perpetuate from original document.
65-66	Advice Code	Perpetuate from original document.
67-69	Routing Identifier (from)	Enter routing identifier of stock point from which the item was shipped.
70	Purpose Code	Enter purpose code of the item shipped.
71	Supply Condition Code	Enter condition code of the item shipped.
72	Management Code	Perpetuate from original document, if applicable; otherwise enter appropriate management code.
73-75	Date Processed	Enter julian date on which the transaction is processed.
76	Material Control Code	<u>For Navy</u> - enter applicable material control code. NOTE: TIRs will <u>not</u> be submitted for items assigned Material Control Code "A". <u>For Inter-Service/Agency use</u> – leave blank.
77	Multi-use	Leave blank.
78	Special Coding Indicator	<u>For Navy</u> - enter Special Coding Indicator "T" for a warehouse refusal.
79-80	Financial Inventory Report Code	Enter appropriate code on Navy transactions. For Intra-Service/ Agency use leave blank.

2.2.1.5 Receipt TIRs (Procurement Instrument Source)

a. General: All NAVSEA material, received under other than a MILSTRIP document number, will be reported to NAVICP via computer input in the following, format:

<u>Data Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
1-3	Document Identifier	Enter the appropriate transaction code in the D4 series. If a prepositioned record is held, the third digit must be perpetuated therefrom.
4-6	Routing Identifier	Enter or perpetuate code of the inventory manager to which the document is being forwarded.
7	Media and Status Code	Leave blank.
8-22	National Stock Number	Enter or perpetuate NSN/part number of the item received.
23-24	Unit of Issue	Enter or perpetuate unit of issue of the item received.
25-29	Quantity	Enter quantity received, preceding significant digits with zeros.
30-43	Procurement Instrument Number or Due-In Document Number	
(30-42)		<u>For Procurement instrument Source</u> Enter or perpetuate procurement instrument number.
(43)		Leave blank.
(30-43)		<u>For Document Number (Intra - Service or Agency Use Only)</u> Enter or perpetuate due-in document number.

<u>Data Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
44	Suffix Code	Enter consecutive alpha code A through Z, as necessary, if separate transmissions are required because quantity exceeds 99,999 or different conditions of material are received; otherwise leave blank.
45-50	Item Number	Identify the contract/exhibit line item number or subline item number as indicated below, if applicable; otherwise leave blank.
(45-48)	Contract/Exhibit Line Item Number	<p><u>Contract Line Number.</u> Enter the contract line item number preceding significant digits with zeros or enter the alphabetic exhibit identifier in data column 45 and the exhibit line number in data columns 46 –48 preceding significant digits with zeros.</p> <p><u>Exhibit Line Item Number.</u> Enter the alphabetic exhibit identifier in data column 45. Enter the exhibit line number in data columns 46 through 48, beginning with data column 48 and preceding significant digits with zeros.</p>
(49-50)	Contract/Exhibit Subline Item Number	Enter the contract or exhibit subline item number if applicable; otherwise zero fill.
51-53	Multi-Use	Leave blank.
54-56	Distribution	<u>Data column 54.</u> Enter distribution code; otherwise leave blank. <u>Data columns 55-56.</u> Enter appropriate COG.
57-59	Project Code	Perpetuate project code; otherwise leave blank.

<u>Data Columns</u>	<u>Field Legend</u>	<u>Explanation and Instructions</u>
60-66	Shipment Number	Enter vendor shipment number shown on shipping document, preceding significant digits with zeros.
67-69	Routing Identifier (from)	Enter or perpetuate code identifying activity that received the item.
70	Ownership/Purpose Code	For storage activity, enter or perpetuate code shown on shipping document or in prepositioned material receipt document; otherwise leave blank. For stock control activity, enter appropriate code.
71	Supply Condition Code	Enter or perpetuate condition code of item received.
72	Management Code	Enter management code; otherwise leave blank.
73-75	Date	Enter julian date material released by carrier.
76	Multi-Use	<u>For Navy</u> - enter or perpetuate the material control code; otherwise leave blank. <u>For Inter-Service/Agency</u> – leave blank.
77-80	Order or Call	Order or call numbers will be right justified and zero filled. All contracts with a type of instrument code of A, D or G require a call or order number. An individual receipt transaction must be prepared for each call or order. If not applicable, leave blank.

NOTE: When cancellation (reversal) of the material receipt TIR is required, an identical input will be submitted with an X overpunch in data column 25.

2.2.1.6 Receipt TIR (Other Than Procurement Instrument Source)

a. General: All NAVSEA material received from other than a procurement source will be reported to the NAVICP and appropriate IM via computer input in the following format. In order that the receipt transaction will correctly address the IM's records, stock points will assure that specified perpetuation fields are retained from the Due-In/Prepositioned Receipt data transmittal or, if no such record is held, that data entered from the receipt document is constructed in accordance with the intent of the perpetuated field.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
1-3	Document Identifier	Enter the appropriate transaction code in the D6_ series. If a prepositioned material receipt document is held, the third digit must be perpetuated therefrom.
4-6	Routing Identifier (to)	Enter the code of the Inventory Manager to which the document is being forwarded.
7	Media and Status Code	Leave blank.
8-22	National Stock Number	Enter or perpetuate stock number of the item received.
23-24	Unit of Issue	Enter or perpetuate unit of issue of the item.
25-29	Quantity	Enter quantity received preceding significant digits with zeros.
30-43	Document Number	Enter or perpetuate the controlling document number.
44	Suffix Code	Enter consecutive alpha Code A through Z, as necessary, if separate cards are required because the quantity exceeds 99,999 or because different conditions of material are received; otherwise leave blank.
45-50	Supplementary Address	Enter or perpetuate supplementary address; otherwise leave blank.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
51	Signal Code	Enter or perpetuate signal code; otherwise leave blank.
52-53	Fund Code	Enter or perpetuate fund code; otherwise leave blank.
54-56	Distribution	<u>Data column 54.</u> Enter or perpetuate distribution code; otherwise leave blank. <u>Data columns 55-56.</u> Enter or perpetuate appropriate COG symbol.
57-59	Project Code	Enter or perpetuate project code; otherwise leave blank.
60-62	Routing Identifier	For Navy transactions, enter the Routing Identifier Code (RIC) of the consignor. For interservice transactions, leave blank.
63-66	Blank	Leave blank.
67-69	Routing Identifier (from)	Enter the routing identifier of the activity reporting the receipt.
70	Purpose Code	Enter or perpetuate the purpose code on the receipt document; otherwise enter A.
71	Supply Condition Code	Enter the condition code for the item.
72	Management Code	Enter the appropriate management code; otherwise leave blank.
73-75	Date	Enter julian date the material is released.
76	Multi-Use	<u>Navy use</u> - enter the appropriate material control code, if assigned; otherwise leave blank. <u>Inter-Service/Agency use</u> – blank.
77-78	Multi-Use	Leave blank.

79-80	Financial Inventory Report Code	<u>Navy use</u> - enter financial inventory report code. <u>Inter-Service/Agency use</u> – leave blank
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NOTES:

a. When cancellation (reversal) of the material receipt TIR is required, an identical input will be submitted with an X overpunch in data column 25.

b. Stock points will assure that Code "B" is entered in data column 72 to reflect receipt of a serviceable non-pool item from IMA (Intermediate Maintenance Activity) repair. This is an intra-Navy application only.

c. Enter Code C in data column 72 if this TR reflects receipt of a depot level repairable (non-RFI or RFI) for credit interrogation (nonexchange). Enter Code E if it reflects receipt of a non-RFI or RFI item returned from an exchange transaction. This is an intra-Navy application only.

2.2.1.7 Adjustment TIRs (Single Adjustment Transaction for Each Action)

a. General: All NAVSEA material inventory adjustments will be made via a separate adjustment input even though a from and to adjustment may affect the same NSN. Under this concept it is necessary to submit two TIRs for many adjustments. The TIR input is in the following format. TIRs are not required for financial adjustments, which do not affect the inventory balance.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
1-3	Document Identifier	Enter document identifier in D8 series for increases and D9 series for decreases.
4-6	Routing Identifier (to)	Enter routing identifier of Inventory Manager to whom report is being sent.
7	Blank	Leave blank.
8-22	National Stock Number	Enter NSN for item under adjustment.
23-24	Unit of Issue	Enter unit of issue applicable to NSN.
25-29	Quantity	Enter quantity being adjusted preceding significant digits with zeros.
30-43	Document Number	<u>For reclassification of previously suspended returns.</u> Enter document

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u> number under which material was received; otherwise enter appropriate document number.
44	Suffix Code	Enter Codes A through Z (except 1 and 0) and 0 through 9 to distinguish between inputs bearing the same document number.
45-51	Multi-Use	<u>For Navy use</u> - enter the four digit sequence number in data columns 45-48 that identifies individual units or group of units inducted. Leave data column 49-51 blank. <u>For Inter-Service/Agency</u> -leave blank
52-53	Fund Code	Enter appropriate code for intra-service use. For inter-service use leave blank.
54-56	Distribution Code	<u>Data column 54.</u> Enter appropriate distribution code if stocks are segregated and maintained by this code; otherwise leave blank. <u>Data columns 55-56.</u> Enter or perpetuate COG symbol; otherwise leave blank.
57-59	Project Code	Enter project code, if applicable; otherwise leave blank. (Purpose Code Adjustments D8D/D9D must contain a project code.)
60-66	Multi-Use	Leave blank.
67-69	Routing Identifier (from)	Enter RIC of submitting stock point.
70	Purpose Code	Enter purpose code of inventory balance being adjusted.
71	Supply Condition Code	Enter condition code of the inventory balance being affected.
72	Management Code	Enter management code, if applicable; otherwise leave blank.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
73-75	Date Processed	Enter julian date the adjustment is processed to inventory control record.
76-80	Multi-Use	<u>For Navy</u> - enter the material control code assigned in data column 76; otherwise leave blank. Leave data columns 77-78 blank. In data columns 79-80, enter the financial inventory report code. <u>For Inter-Service/Agency</u> – leave blank.

NOTE: If it becomes necessary to cancel a previously submitted adjustment transaction, a duplicate transmission with an x overpunch in data column 25 will be transmitted.

2.2.1.8 Adjustment TIRs (Dual Adjustments)

a. General: Dual adjustment TIRs will be used by stocking activities for reporting, to IMs of NAVSEA material, any transfers between condition codes (using document identifier “DAC”) or purpose codes (using Document Identifier (DI) “DAD”). The TIR input is in the following format:

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
1-3	Document Identifier	Enter DI DAC or DAD.
4-6	Routing Identifier (to)	Enter routing identifier of IM to whom the report is being sent.
7	Media and Status Code	Leave blank.
8-22	National Stock Number	Enter NSN for item under adjustment.
23-24	Unit of issue	Enter unit of issue applicable to the NSN.
25-29	Quantity	Enter quantity being adjusted.
30-34	Document Number	<u>For reclassification of previously suspended receipts</u> . Enter document number under which the material was originally received. <u>Other adjustments</u> : enter appropriate document number.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
44	Suffix Code	<u>For reclassification of previously suspended receipts.</u> Enter code under which originally received
45-48	Losing ICP	<u>For Navy</u> – for DI DAC, enter the sequence number identifying units or groups of units inducted; for DI DAD and <u>Inter-Service/Agency</u> , leave blank.
49-51	Multi-use	Leave blank.
52-53	Fund Code	<u>For Navy</u> – enter the appropriate code. <u>For Inter-Service/Agency</u> - leave blank.
54-56	Distribution Code	<u>Data column 54.</u> Enter appropriate distribution code; otherwise leave blank. <u>Data columns 55-56.</u> Enter COG symbol.
57-59	Project Code	Enter appropriate project code if stocks are segregated and maintained by codes reflected in the project code field; otherwise leave blank.
60-64	Multi-Use	Leave blank.
65	Purpose Code	Enter purpose code to which assets are being transferred.
66	Supply Condition Code	Enter condition code under which assets are to be reported.
67-69	Routing Identifier	Enter RIC of the stock point at which the item is stored.
70	Purpose Code	Enter purpose code from which assets are being transferred.
71	Supply Condition Code	Enter condition code from which assets are being transferred.
72	Management Code	Enter appropriate management code; otherwise leave blank.

<u>Columns</u>	<u>Field Legend</u>	<u>Explanation and Instruction</u>
73-75	Date	Enter julian date adjustment processed to the inventory control record.
76-80	Multi-Use	<u>For Navy</u> - enter the material control code assigned in data column 76; otherwise leave blank. Leave data columns 77-80 blank. <u>For Inter-Service/Agency</u> use - leave data columns 76-80 blank.

NOTES: a. When reversal or cancellation of the original transaction is required it is necessary to resubmit after entering an 11 zone punch in data column 25.

b. Other transaction inputs, as defined in NAVSUP Pub 485 Volume II, Supply Appendices, Appendix 28 (MILSTRIP/MILSTRAP Formats) may be used to report associated inventory adjustment information.

2.2.2 Serial Number Control and Reporting

2.2.2.1 General

The stock number is the primary method of controlling material at a stock point and of reporting actions on the material from the stock point to the IM. However, some NAVSEA managed material requires control and reporting be accomplished by individual units. This requirement for unit level control and reporting can be satisfied by using serial or registry numbers. This section summarizes serial number control procedures for 2F, 2J, and 2S material identified by MILSTRIP/MILSTRAP issue restriction code XR.

2.2.2.2 Procedures

The serial numbers of units under issue restriction code XR will be locally recorded by IMs and stock points until issue takes place. Record format and media (e.g. notebook, PC, etc.) are left to the individual IM or stocking activity. The serial number of the material at the storage site should always match the one on the IM's record.

When a transaction involving a serial numbered item occurs, the local records maintained by the IM and the stock point must be updated. In addition, the NAVICP master inventory records must be updated via TIR.

When a physical inventory is accomplished per NAVSUPINST 4440.115G [Physical Inventory Program] and the NAVSEA Inventory Audit and Assistance Program (NIAPP), a copy of the report will list serial numbers and will be forwarded to IMs of NAVSEA material. Chapter 1, Figure 1 contains the correct organization codes.

2.2.3 Production/Repair Facility Reports

Asset visibility must also address material due in from production or repair activities. Identification of anticipated receipts is essential for the IM to determine comprehensive asset status. Fundamental to this enterprise is visibility of organic and commercial contractual documents directing either procurement or repair.

The IM should maintain copies of manufacturing contracts to define required equipment availability and delivery dates. Depending on contractual requirements, the IM may also receive reports from the manufacturer detailing production progress. Such reports may include milestones, estimated and actual completion dates, remarks, and other pertinent data. In all cases, IMs must ensure they are apprised of problems anticipated or experienced, which may impact established schedules. Close coordination with contractor representatives will support this effort.

2.2.3.1 Repair Contracts

Repair contracts for NAVSEA equipment may be let to both commercial and government organizations. In either case, one of the principal monitoring elements (as above) will be coordination with designated activity representatives to maintain current project status.

When repairs are accomplished by commercial activities, IMs should ensure they retain copies of Basic Ordering Agreements (BOAs) defining contractual specifications. IMs will subsequently generate internal requisition documents to the appropriate Defense Contract Administration Services Office to induct material for repair under such agreements. BOAs will contain Contract Data Requirements Lists (CDRLs) delineating types of reports (i.e., pre-repair inspection, repair status, final acceptance test) that are to be provided to the contracting activity. IMs must ensure access to such reports as required to track repair progress and delivery time frames.

IMs also must generate and maintain internal documentation (i.e., Project Orders and Work Requests) necessary to initiate repairs at Naval Shipyards. As with commercial repair activities, IMs must maintain contact with designated representatives to assure they have the most current repair cycle status. Naval Shipyards will prepare and forward a monthly 2F/2S repair report to document the status of current programs. The report (NAVSEA Report 4440/1) is depicted in Figure 11. The report's specific data element definitions are contained in Appendix C.

2.2.3.2 Propellers and Shafts

Stock levels, condition codes, transaction history, repair status, and remarks for 2S COG propellers and shafts are provided to IMs quarterly per NAVSEAINST 9245.1A [Ship Propellers and Propulsion Shafts], paragraph 6.e. Figure 12 NAVSEA Form 9245/2, is the required report format.

2F/S COGNIZANCE AND SECONDARY ITEM REPAIR REPORT

1. TO: NAVICP MECHANICSBURG PA 17055-0788		2. REPORTING ACTIVITY			3. REPORT PERIOD				7.				
FUNDING DOCUMENT	NOMENCLATURE	NAT'L STOCK NUMBER	LOCAL JOB ORDER NUMBER	START DATE	QUANTITY		% COMP	COMP DATE	EST COST	FUND AUTH	FUND EXPND	FUND ADDED	REMARKS
					AUTH	COMP							
5	6	7	8	9	10	11	12	13	14	15	16	17	18

Figure 11

COVERING QTR_____

RPT. NAVSEA 9245.2

FROM:

NSN AND SHIP CLASS	TOTAL ON HAND		TOTAL RECEIPTS	TOTAL ISSUES	STATUS OF NRFI PROPELLERS AND SHAFTS		REMARKS
	RFI	NRFI			QUANTITY UNDER REPAIR	SCHEDULE OF COMPLETION	
DISTRIBUTION COMSUBLANT COMSUBAC COMNAVSURFLANT						DATE SIGNATURE	
COMNAVSURFPAC COMNAVAIRLANT COMNAVAIRPAC							

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2.3 PHYSICAL INVENTORIES

This section applies to 2F, 2J, and 2S material under NAVSEA control except for boats and landing craft (2S SMIC B1) and nuclear propulsion equipment (2S SMIC X1). Physical inventories may be used to validate reported stock levels and assist in identifying and resolving discrepancies. The following general categories apply.

2.3.1 Unscheduled Inventories

Informal inventories may be initiated via coordination with MATREPs at designated stocking activities. When evaluating physical inventory necessity, IMs must consider the relative dollar value and criticality of the item(s) in question. It may be deemed prudent and cost-effective to simply notify MATREPs and record discrepancies pending formal NAVSEA audits as described below. However, in all cases IMs should ensure comprehensive review of internal stock records and data base retrievals and then contact MATREPs and other cognizant shipping/handling activities to validate the suspected inventory imbalance prior to initiating MATREP physical counts. IMs will generally prompt inventories via verbal request; if desired. MILSTRAP Physical Inventory Request and Count formats (Document Identifiers DJA, DKA) may also be used. Depending on the situation, IMs may also find it necessary to visit stock points to assist in reconciling imbalances.

2.3.2 Scheduled Inventories

2.3.2.1 General

The redistribution of material between activities, the retrograde movement of equipments from Fleet units, the complexity of material receipts from contracts, the continuing necessity for asset cannibalizations, and the need for accurate inventory records require that a periodic on-site intensive audit be conducted to maintain a high level of record accuracy..

2.3.2.2 Responsibilities

a. NAVSEA 04L:

(1) Develop with the MATREP and stock point a proposed schedule of audits for each Fiscal Year (FY). Schedule will be published three months prior to the start of the FY.

(2) Budget for NAVSEA 04L1 and other required support personnel.

(3) Coordinate with the activities scheduled for audits to accomplish the following pre-audit actions:

(a) Special concerns to be reviewed.

(b) Availability of a special Master Stock Item Report or other list of all NAVSEA material stored at an activity.

(c) Agreement on the tasks to be completed before the audit, to establish points of contact and to identify activity personnel on the audit team.

(d) Survey of NAVSEA material to determine known and unknown concentrations.

(e) Availability of activity personnel to conduct identification and code screening.

(f) Special support requirements, such as forklifts, warehouse personnel, and other supply support.

(g) Establish the audit dates and the transaction cutoff date for audit document preparation.

(4) Utilizing the services of the NIAPP, perform the audit as prescribed in NAVSUPINST 4440.115G [Physical Inventory Program], SECNAVINST 5500.4G [Reporting of Missing, Lost, Stolen, or Recovered (M-L-S-R) Government Property], and NAVSEAINST 5530.1A [Reporting of Naval Sea Systems Command Missing, Lost, Stolen, or Recovered (M-L-S-R) Government Property].

(5) Publish a report documenting recommendations, statistics, findings, and audit actions. Send a copy to the stock point and the NAVICP.

b. Inventory Managers of NAVSEA Material:

(1) Prior to the audit, review Master Stock Item Report or other list of NAVSEA items stored at the activity and annotate by stock number the following:

(a) Specific justification for retained quantities of equipment at other than NAVSEA CSPs at Marine Corps Logistics Base Barstow CA and Fleet and Industrial Supply Center Norfolk VA's Cheatham Annex. Examples of justifications required include: Type Commander established levels, scheduled repair, pending migration, and special storage.

(b) Disposal quantities.

(c) Special interest items to be reviewed by audit team, such as:

1. Multiple component equipments.

2. Equipment with a history of warehouse refusal or improper condition coding.

3. High interest material because of its critical nature in support to the fleet.

(2) Provide audit team representation when practicable.

c. Stock Point designated for audit review:

(1) Confirm proposed dates.

(2) Install preliminary inventory controls at least 7 but no more than 15 workdays before the established transaction cutoff date.

(3) Ensure warehouse location markers are visible.

(4) Process all change notice actions, condition code transfers, and disposal actions prior to transaction cutoff date.

(5) Complete all in-process issues and receipts before the cutoff date.

(6) Create a work plan and assign personnel to assist the audit team. Activities to be audited will budget and fund their workforce in support of the audit.

(7) Provide NAVSEA audit team with the inventory aids as agreed during audit pre-planning.

(8) Complete the following tasks as negotiated with NAVSEA during audit pre-planning:

(a) Consolidate locations and improve access of material to be inspected.

(b) Conduct pre-inventory surveys of NAVSEA material to determine if locations of material are readily accessible and if material is segregated, stored by condition code, and properly labeled with NSN and condition code.

(c) Complete or stop rewarehousing of NAVSEA material before the physical inventory.

(9) Expedite process adjustments.

(10) Conduct causative research on unresolved material discrepancies.

2.3.3 Supply System Inventory Report (SSIR)

This section applies to 2 COG material under NAVSEA control except for assets held in Navy Working Capital Fund (NWCF) Industrial User Group inventories; complete systems and components installed on ships, training facilities, or incorporated in higher assemblies.

2.3.3.1 General

DoD Regulation 4140.1-R requires an annual Supply System Inventory Report (SSIR) be provided by 1 February to the Director, Washington Headquarters Services (WHS) from each DoD component. Using the latest acquisition cost method, the report will include the value of wholesale and retail inventory held for sale or issue including material in the process of repair. SSIR data is included in the annual report of "Real and Personal Property of the Department of Defense" provided to Congress and the Office of the President in compliance with Section 410 of Title IV of the National Security Act of 1947, amended by Section 2701 of Title 10, United States Code. NAVSUP is responsible for consolidating field inputs into a single comprehensive SSIR. NAVSEA provides a SSIR feeder report to NAVSUP documenting the dollar value its 2F, 2J and 2S wholesale (supply system) assets.

The total value of the NAVSEA in-store inventories reported in the SSIR must be compatible with the official financial record of in-store inventories. The Defense Finance and Accounting Service Center distributes monthly the Cumulative Appropriation Purchases Account (APA) Financial Inventory Report (FIR), Report No. 4443-351, which contains the total in-store value for each cognizance symbol by activity. The report for the period ending 30 September of each year is considered the official document for obtaining the total inventory values reported on the SSIR. Significant differences between SSIR inventory totals and the APA FIR totals must therefore be reconciled before submission to NAVSUP. NAVSEA 04L1 will obtain inventory data from IMs for NAVSEA material, effect reconciliation with the NAVSUP provided APA FIR data as necessary, consolidate and forward the NAVSEA SSIR to NAVSUP.

2.3.3.2 Procedures

In late September or early October, NAVSUP will issue a SSIR data-call letter and require input to SUP Code 132 by mid-November. Any significant quantity differences in inventory categories, from one year to the next, will require a narrative explanation by NAVSEA on its submission cover letter. The data-call may include a computer spreadsheet, in Microsoft Excel, containing the required report format. If one is not included, the report format from previous year should be used.

Upon receipt of NAVSUP's SSIR data-call, a NAVSEA data-call will be prepared and forwarded (by memo to internal 2F and 2S IMs at NAVSEA and by letter to NAVICP 2F, 2J and 2S IMs). Figure 13 is a sample NAVSEA data-call letter with enclosures. Enclosures consist of a local data collection sheet (Figure 14), definitions for the captions thereon (Figure 15) and a listing of NAVSEA stock, by COG and NIIN, in Local Routing Code (LRC) sequence (Figure 16).

Responses to the NAVSEA data-call should be forwarded in early November by letter from NAVICP and by internal route sheet within NAVSEA. NAVSEA 04L1 will consolidate the NAVSEA and NAVICP inputs so that there is one data worksheet each for 2F, 2J and 2S COG. In addition, NAVSUP will forward (normally by FAX), during this time frame, their projections of the APA financial inventory record dollar values of 2F, 2J and 2S total assets on hand and intransit. Before entering the consolidated worksheet data into each COG's Excel spreadsheet for final SSIR computation, the NAVSUP furnished total assets on hand and in transit information will be added. The NAVSUP furnished figures are used as a check on the data submitted by the IMs and will determine the extent of any reconciliation effort. Only significant variations will be investigated and reconciled. Otherwise, the NAVSUP furnished data will be used. A consolidated worksheet, with NAVSUP input, then becomes the final "raw" data sheet used to create each COG's Excel spreadsheet. A "smooth" worksheet is created from the Excel spreadsheet. The final input to NAVSUP will consist of each COG's:

- a. Excel spread sheet
- b. "raw" data worksheet
- c. "smooth" data worksheet

SAMPLE NAVSEA SSIR DATA-CALL LETTER

From: Commander, Naval Sea Systems Command
To: Commander, Naval Inventory Control Point (Codes 05824, 84213G)

Subj: GUIDANCE FOR THE FY_____ SUPPLY SYSTEM INVENTORY
REPORT (SSIR)

Ref: (a) NAVSUP Ltr _____
(b) DoD Regulation 4140.1-R

Encl: (1) NAVSEA 04L Supply System Inventory Report (SSIR)
Data Sheet
(2) Definitions Pertaining to the SSIR Data Sheet Captions
(3) NAVSEA NSN List of Inventory Values

1. Reference (a) provides instructions for preparation of the annual SSIR. Enclosure (1), the format for data submission, is an extract from reference (b). Enclosure (2) provides amplifying definitions for the categories of material appearing on enclosure (1). Enclosure (3) is a listing of your NSNs in NIIN sequence by Local Routing Code (LRC) as of (date). This data was obtained from the NAVICP Weapons Systems File to assist you in completing enclosure (1). It is important that it be carefully reviewed and cross-referenced to validate data prior to submission.

2. In preparing the SSIR Data Sheet:

- a. Fill out a separate data sheet for each COG.
- b. On block A2, fill in 30 Sep (year).
- c. On block C, circle the appropriate COG.
- d. Complete lines H, I, L, M, and N if applicable.
- e. Leave line K blank.
- f. NAVSEA Code 04L_____ will complete lines J and O.

3. A copy of reference (a) is available for your review upon request. If you have any questions or need further assistance please contact _____, SEA 04L_____, DSN _____ or commercial _____, email at _____.

Signature
By direction

Figure 13

NAVSEA 04L Supply System Inventory Report (SSIR) Data Sheet

A1	U.S. Navy	A2	As of ____ Sep. ____
A.	FY _____		
B.	DoD Component _____ N _____		
C.	Principal Item Category (circle appropriate COG):		
	Major Shipboard Electronics Equipment		2F
	Major Shipboard Ordnance Equipment		2J
	Major Shipboard Hull, Mechanical and Electrical Equipment		2S
D.	Principal or Secondary Items	_____ P _____	
E.	Retail or Wholesale Items	_____ W _____	
F.	Consumable or Repairable Items	_____ R _____	
G.	Source of Funding	_____ IF _____	
H.	Approved Acquisition Objective	_____	
I.	War Reserve Stock	+ _____	
J.	Intransit Stock	+ _____	
K.	Economic Retention Stock	+ _____	
L.	Contingency Retention Stock	+ _____	
M.	Potential Security Assistance Stock	+ _____	
N.	Potential Reutilization and/or Disposal Stock	+ _____	
O.	Total Assets	=====	

Figure 14

Definitions Pertaining to the SSIR Data Sheet Captions

Approved Acquisition Objective (AAO). The quantity of an item authorized for peacetime and wartime requirements to equip and sustain U.S. and Allied Forces, in accordance with current DoD policies and plans. That quantity shall be sufficient to support other government agencies as applicable.

Contingency Retention Stock. That portion of the quantity of an item greater than the AAO and Economic Retention Stock for which there is no predictable demand or quantifiable requirement, and that normally would be allocated as Potential Reutilization Stock, except for a determination that the quantity will be retained for specific contingencies.

Economic Retention Stock. That portion of the quantity of an item, greater than the AAO, determined to be more economical to retain for future peacetime issues than to dispose of and satisfy projected future requirements through new procurement and/or repair. Such items must have a reasonably predictable demand rate.

Intransit Stock. Stock defined as “intransit” is material that is between storage locations, either wholesale or retail; material shipped from vendors after acceptance by the Government but not yet received by an inventory manager; material temporarily in-use or on loan with contractors or schools; or material that cannot be otherwise categorized.

Potential Reutilization and/or Disposal Stock. Stock identified by an item manager for possible disposal but with potential for reutilization. Stock that has the potential for being sent by an item manager to the Defense Reutilization and Marketing Service (DRMS) for possible use by another DoD Component or Federal, State, or local government Agency, or for sale to the public.

Potential Security Assistance Stock. Stock supporting weapons systems phased out or being phased out but temporarily held for programs by which DoD provides material by grant, credit or cash sales in furtherance of national policies and objectives.

War Reserve Stock. War material inventories sufficient to sustain operations, as prescribed in Defense Planning Guidance scenarios, for committed forces. Only items with production lead times exceeding 30 days shall be held in wholesale war reserve stocks.

Figure 15

P24SE1L – NAVSEA NSN LIST OF INVENTORY VALUES

LRC	NSN	UNIT PRICE	TOTAL ON HAND QUANTITY	TOTAL VALUE
KBDO4	123010995905A5	2700000.00		.00
KBDO4	123010995906A5	2700000.00		.00
KBDO4	123010995907A5	2700000.00		.00
KBDO4	1450012225558A5	25000.00	2	50000.00
KBDO4	5841012232229A5	3000000.00		.00
KBDO4	5841012236271A5	3000000.00		.00
KBDO4	3940013552944A5	8000.00		.00
KBDO4	1005013573358A5	250000.00	1	250000.00
KBDO4	1005013573359A5	250000.00		.00
KBDO4	5998014195533A5	3000500.00		.00
KBDO4	1230014554412	50000.00		.00
KBDO4	1230014554413	50000.00		.00
SUMMARY TOTAL VALUE				300000.00

P24SE1L – NAVSEA NSN LIST OF INVENTORY VALUES

LRC	NSN	UNIT PRICE	TOTAL ON HAND QUANTITY	TOTAL VALUE
KBEO4	1010000929721AK	61.00	1	61.00
KBEO4	10050001120712A5	27000.00		.00
KBEO4	101000379 5050AK	11.00		.00
KBEO4	101000379 5051AK	5.10	14	71.40
KBEO4	1095004166738A5	3300.00	28	92400.00
KBEO4	1010005734838A5	10500.00		.00
KBEO4	1010005734840A5	157040.00	1	157040.00
KBEO4	1095010833782A5	9000.00	12	108000.00
KBEO4	1095010833783A5	9000.00	35	31500.00
KBEO4	1010011269063A5	13760.00	610	8393600.00
KBEO4	1010011269064A5	16790.00		.00
KBEO4	1010011284934A5	2000.00	507	1014000.00

Figure 16